

# **A Guide to Water and Wastewater Funding Programs**

*How to Navigate the Grant Process*

Compliments of  
U.S. Senator Kirsten E. Gillibrand  
New York



July 2009

*\*Note: This document will be continuously updated as information becomes available.*

## **Table of Contents**

Introduction.....	3
Bureau of Reclamation .....	4
1) Multi-purpose and Rural Water Supply Projects .....	4
2) Title 16 Projects – Waste Reclamation and Water Re-use.....	4
Department of Defense: Army Corps of Engineers .....	6
1) Civil Works Program .....	6
2) Environmental Infrastructure .....	7
Department of Agriculture.....	8
1) Rural Utilities Service (Water and Waste Disposal Programs).....	8
2) Natural Resources Conservation Service (Small Watershed Program) .....	9
Environmental Protection Agency .....	11
1) Clean Water State Revolving Fund Loan Program.....	11
2) Drinking Water State Revolving Fund Loan Program.....	12
Department of Housing and Urban Development.....	13
1) Community Development Block Grants.....	13
Department of Commerce.....	14
1) Economic Development Administration (Public Works and Economic Development Program) ..	14
Letters of Support from Senator Gillibrand .....	16

## Introduction

Dear Fellow New Yorker:

Each year, the federal government distributes millions of dollars worth of grants and loans for water and wastewater infrastructure. Adequate water and wastewater facilities, in addition to protecting public and environmental health, enable communities to grow and attract businesses. With many communities struggling during these tough economic times, I am committed to assisting New Yorkers with securing funding that can ensure that our cities, towns and villages have adequate water and wastewater infrastructure.

Finding the resources that meet your needs in this complex web of agencies can be an impossible task. For this reason, I have created this guidebook to serve as a starting point in providing information about what resources are available to individuals, businesses, community organizations and local governments.

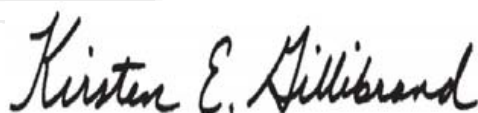
The information in this guidebook details sewer and wastewater funding programs. Its contents are by no means comprehensive; as new programs and opportunities emerge, its contents will be updated to provide New Yorkers with the most information possible.

The guidebook is comprised of six different sections, each providing information about grant funding sources, strategies for writing effective grant proposals and ways in which my office can assist you in this process.

My Senate website ([www.Gillibrand.senate.gov](http://www.Gillibrand.senate.gov)) is continually updated with critical information about various funding opportunities that are available to you, how to access them, and where to apply.

As you move forward with any grant opportunities, please contact Jon Cardinal, my Grants Director, for letters of support, when applicable. You can reach him in my Washington, D.C. Office at [Grants@Gillibrand.Senate.gov](mailto:Grants@Gillibrand.Senate.gov), or (202)-224-4451.

Sincerely,



Kirsten E. Gillibrand

## **Section I**

### **Bureau of Reclamation**

#### **1) Multi-purpose and Rural Water Supply Projects**

- Unlike most programs discussed in this guide, Bureau of Reclamation projects usually take place at the explicit direction of Congress and require authorizing legislation. Typically, Municipal and Industrial use (M&I) programs funded through the Bureau of Reclamation are parts of larger irrigation, flood control, and hydroelectric power projects. Projects funded by this program are typically financed up-front by the federal government and repaid in full (plus interest) by the municipal beneficiaries via “repayment contracts”.

##### **Additional Information:**

- Funding levels vary widely and are dependent on the scope of the project in question because each project requires congressional approval.

##### **Eligibility:**

- Generally, local governments and organizations including irrigation, water, or conservation districts can request funding either through the Bureau of Reclamation or Congress. Funding for projects outside the 17 Western States for which the original Act was designed requires additional congressional authorization.

##### **Contact:**

- Telephone: (303) 445-2780  
Mail: Bureau of Reclamation  
Acquisition Operations Group  
Attn: Randale Jackson  
PO Box 25007  
Denver, CO 80225  
Website: [www.usbr.gov/](http://www.usbr.gov/)

#### **2) Title 16 Projects – Waste Reclamation and Water Re-use**

- This program allows the Secretary of the Interior to “investigate and identify” opportunities for the reclamation and reuse of wastewater and naturally impaired ground

and surface water. Water reclaimed through Title 16 funding may be used for M&I water supply (non-potable and indirect potable uses only), irrigation supply, groundwater recharge, fish and wildlife enhancement, or outdoor recreation.

**Additional Information:**

- The program gives partial grants with construction costs shared between the federal government and a local project sponsor or sponsors. The federal share is limited to a maximum of 25% of the total project; in most cases given in the form of a non-reimbursable grant. The average grant is \$2.1 million. The federal share of feasibility studies is limited to 50% of the total costs except in cases of “financial hardship”. Funding for feasibility studies must be reimbursed. The Secretary may accept in-kind services which contribute to the study as reimbursement.

**Eligibility:**

- Projects funded by Title 16 must take place in the 17 Western States unless they are granted explicit congressional authorization. Municipalities and irrigation and water districts are all eligible recipients of funding. Funding can only go to projects where (1) an appraisal investigation and feasibility study have been completed by the Secretary of the Interior, (2) the Secretary has determined the project sponsor is capable of funding the non-federal share of costs, and (3) the local sponsor has entered into a cost-share agreement with Reclamation.

**Contact:**

- Telephone: (303) 445-2780  
Mail: Bureau of Reclamation  
Acquisition Operations Group  
Attn: Randale Jackson  
PO Box 25007  
Denver, CO 80225  
Website: [www.usbr.gov/](http://www.usbr.gov/)

## **Section II**

### **Department of Defense: Army Corps of Engineers**

#### **1) Civil Works Program**

- The Corps of Engineers operates water resource projects to meet three main needs: navigation, flood damage reduction and aquatic ecosystem restoration. Corps activities can and sometimes do meet other water needs including M&I water supply, hydroelectric generation, fish and wildlife benefits, and recreation. M&I water use from Corps maintained reservoirs is considered an incidental to the reservoirs purpose. The Corps also acts in an emergency capacity, providing disaster relief including during drought and natural disasters. Congress also has the ability to designate specific projects for the Corps, each of which requires authorizing legislation. The Corps is only permitted to deliver “excess” water for M&I use when delivery will not substantially alter the authorized purpose of the project; there is no guarantee that water will be delivered in any given year.

#### **Additional Information:**

- M&I water supply projects completed by the Corps are financed up front by the federal government and repaid 100% with interest by nonfederal sponsors over long-term (typically 30-50 year) repayment contracts.

#### **Eligibility:**

- Existing law requires that (1) water supply benefits and costs be equitably allocated among multiple purposes; (2) repayment by state or local interests be agreed to before construction; (3) the water supply allocation for anticipated demand at any project not exceed 30% of the total estimated cost; (4) repayment shall be either during construction (without interest), or over 30 years (with adjustable interest rates); and (5) users reimburse the Corps annually for all operation and maintenance or replacement costs. Any exceptions must be authorized by Congress.

#### **Contact:**

- US Army Corps of Engineers North Atlantic Division – New York  
Paul Tumminello  
Telephone: (917) 790-8209  
Email: [Paul.tumminella@usace.army.mil](mailto:Paul.tumminella@usace.army.mil)  
Website: <http://www.usace.army.mil/CEMP/iis/Pages/Home.aspx>

## 2) Environmental Infrastructure

- Since 1992, Congress has authorized the Corps to assist communities, particularly rural and small communities, with design and construction of drinking water and wastewater infrastructure and surface water protection and development projects.

### **Additional Information:**

- Most environmental infrastructure projects are financed 75% federally and 25% locally. The federal portion is typically provided by Congress to the Corps; specifics of how the Corps manages the nonfederal portion varies by project.

### **Eligibility:**

- Because environmental infrastructure projects fall outside the typical Corps missions, there are no clear general eligibility requirements. Typically, Congress has authorized Corps assistance for projects in a specific location (e.g. a small city) or for a defined geographic area (such as a county or state). A project will be approved only if there is authorization for work in the specified area and the activity undertaken is covered by that authorization.

### **Contact:**

- US Army Corps of Engineers North Atlantic Division – New York  
Paul Tumminello  
Telephone: (917) 790-8209  
Email: [Paul.tumminella@usace.army.mil](mailto:Paul.tumminella@usace.army.mil)  
Website: <http://www.usace.army.mil/CEMP/iis/Pages/Home.aspx>



## **Section III**

### **Department of Agriculture**

#### **1) Rural Utilities Service (Water and Waste Disposal Programs)**

- This program, administered by the Rural Utilities Service of the Department of Agriculture, is intended to provide basic human amenities, alleviate health hazards and promote growth of nation's rural areas by meeting needs for new and improved rural water and/or waste disposal facilities (including costs of distribution lines and well-pumping).

#### **Additional Information:**

- USDA provides grants and loans for water and waste disposal projects. USDA prefers to make loans; grants are only offered when necessary to reduce average annual user charges to a reasonable level. Loans are offered to develop storage, treatment, purification, or distribution of water or collection, treatment, or disposal of waste in low-income rural areas. Loans are either directly offered by USDA or are guaranteed by USDA up to 90% of value when offered by private lenders and are repayable in not more than 40 years or the usable life of the funded facility, whichever is less. Only communities with poverty and intermediate rate incomes qualify for grants. Grants may fund up to 75% of proposed project. In Fiscal Year 2005, grants averaged \$619,000; loans averaged \$1.064 million.

#### **Eligibility:**

- Municipalities, counties and other subdivisions of a state, associations, cooperatives and organizations operated on a not-for-profit basis, Indian tribes on federal and state reservations and other federally recognized tribes are all eligible for funding. USDA's loan and grant programs are limited to communities with populations of 10,000 or less. Communities must also have been denied credit through normal commercial channels and be below certain income levels. Loans and grants are intended to allow communities to meet health or sanitary standards set in the Clean Water Act and Safe Drinking Water Act.

#### **Contact:**

- Water and Environmental Program  
441 S. Salina St., Suite 357  
Syracuse, NY 13202  
Telephone: (315) 477-6427  
Websites: <http://www.usda.gov/rus/water/> (Federal Website)  
<http://www.rurdev.usda.gov/ny/index.htm> (New York Website)



## 2) Natural Resources Conservation Service (Small Watershed Program)

- The USDA Watershed and Flood Prevention Operations Program (commonly called the Small Watershed Program) is operated through the Natural Resources Conservation Service (NRCS). Congress has authorized this program to serve four closely related local needs. Two of these allow NRCS to provide technical and financial assistance to state and local organizations to plan and install measure to prevent erosion, sedimentation, and flood damage and to conserve develop and utilize land and water resources. The other authorities are an emergency program (which restores a watershed after the disruptions of a natural disaster and which minimizes risk by purchasing easements on flood plains) and a new rehabilitation authority (which restores projects built by the NRCS which have exceeded their design life). Project purposes may include watershed protection, flood prevention and control, water quality improvements, soil erosion reduction, rural municipal and industrial water supply, fish and wildlife habitat enhancement, and water conservation. Almost all projects address flood prevention and control.

### **Additional Information:**

- Typical support comes in the form of partial project grants (average \$650,000) and technical advisory services. Financing levels depend on the purpose of the proposed project. Only costs related to construction for flood control will be fully covered by the federal government. Costs for non-agricultural water supply must be repaid by local organizations but up to 50% of costs for land, easements and rights-of-way allocated to public fish and wildlife and recreational developments may be paid with program funds. Sponsors may apply for USDA RUS Water and Waste Program loans to finance the local share of project costs.

### **Eligibility:**

- State agencies and qualified local organizations can apply to participate and may sponsor or cosponsor an application. Qualified organizations include soil and water conservation districts; municipalities; counties; watershed, flood-control, conservancy, drainage, irrigation, or other special purpose districts; Indian tribal organizations, irrigation and reservoir companies, water users associations, or similar organizations not operated for profit. Other organizations can endorse pending applications. An eligible program must (1) have an approved watershed plan; (2) have environmental, economic and social benefits that exceed project costs; (3) have no critical environmental issues. There are no population or community income-level limits on application, however, all projects must have flood control as a part of the plan and must be located within a small watershed (250,000 acres or less).

**Contact:**

- Website: <http://www.nrcs.usda.gov/programs/watershed/>  
County offices are listed at  
<http://offices.sc.egov.usda.gov/locator/app?service=page/CountyMap&state=NY&stateName=New%20York&stateCode=36>



## **Section IV**

### **Environmental Protection Agency**

#### **1) Clean Water State Revolving Fund Loan Program**

- The Clean Water Act sets standards for performance levels of municipal sewage treatment plants to prevent the release of harmful waste into surface waters. Financial assistance is also provided to enable communities to construct treatment facilities which comply with EPA's standards. The State Revolving Funds (SRF) are co-funded by the federal government (80%) and the state government (20%) and provide loan assistance in furtherance of Clean Water Act compliance. The SRF program provides assistance in constructing publicly owned municipal wastewater treatment plants, implementing nonpoint pollution management programs, and developing and implementing management plans under the National Estuary Program.

##### **Additional Information:**

- Clean Water SRFs may provide seven different types of assistance: making loans; buying or refinancing existing local debt obligations; guaranteeing or purchasing insurance for local debt obligations; guaranteeing SRF debt obligations; providing loan guarantees for sub-state revolving funds; earning interest on fund accounts; and supporting reasonable costs of administering the SRF. States cannot use SRFs as a source of grants. Loans are provided at or below market interest rates, including possible zero interest loans (exact rates are negotiated by the applicant and state SRF).

##### **Eligibility:**

- Eligible loan recipients are any municipality, intermunicipal, interstate or state agency. Projects or activities eligible for loans are those needed for constructing or upgrading publicly owned municipal wastewater treatment plants. Devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage are eligible, including construction or upgrading of secondary or advanced treatment plants; construction of new collector sewers, interceptor sewers or storm sewers; and projects to correct existing problem of sewer system rehabilitation, infiltration/inflow of sewer lines, and combined sewer overflows. Operation and maintenance is not an eligible activity.

##### **Contact:**

- EPA Region 2 Office  
290 Broadway  
New York, New York 10007-1866  
Telephone: (212) 637 3660  
Website: <https://www.cfd.gov/index?s=program&mode=form&tab=step1&id=312e4abea3cc908bc55deb5e07ec37f>

## 2) Drinking Water State Revolving Fund Loan Program

- The Safe Water Drinking Act (SDWA) sets mandatory standards for public water systems of to control levels of approximately 90 contaminants in drinking water. In order to aid municipalities in meeting these requirements, Congress established a drinking water state revolving fund (DWSRF) loan program patterned closely on the clean water SRF. State funds are required to give funding priority to projects that (1) address the most serious health risks; (2) are needed to ensure compliance with SDWA regulations; and (3) assist systems most in need on a per household basis. States must make available at least 15% of their annual allotment to public water systems that serve 10,000 or fewer persons.

### **Additional Information:**

- States may use DWSRF to make low or zero interest loans to public water systems; loan recipients generally must repay the entire loan plus any interest. DWSRFs may also be used to buy or refinance local debt obligations, to guarantee or purchase insurance for a local obligation, as a source of revenue or security for payment of principal and interest on state revenue or general obligation bonds if the proceeds of the bond sale are deposited into the DWSRF and to earn interest on DWSRF accounts. States may also use DWSRF funding to subsidize projects (through negative interest loans or principal forgiveness) to help economically disadvantaged communities.

### **Eligibility:**

- Drinking water systems that are eligible to receive DWSRF assistance include community water systems, whether publicly or privately owned, and not-for-profit non-community water systems. Federally owned systems are not eligible. Projects for assistance include (1) capital investments to upgrade or replace infrastructure in order to continue providing safe drinking water; (2) projects needed to remedy SDWA violations; (3) projects to replace aging infrastructure; (4) projects to consolidate water supplies. Assistance may also be available for land acquisition, project design and planning, and for a range of security measures including vulnerability assessments and infrastructure improvements. Projects intended to serve future growth or to provide fire protection, construction of dams or reservoirs (except reservoirs for finished water), monitoring, and operation and maintenance are not eligible.

### **Contact:**

- EPA Region 2 Office  
290 Broadway  
New York, New York 10007-1866  
Telephone: (212) 637 3660  
Website:  
<https://www.cfda.gov/index?s=program&mode=form&tab=step1&id=1fa58ab3aad3cbec5929ec0f5e88362b>

## **Section V**

### **Department of Housing and Urban Development**

#### **1) Community Development Block Grants**

- Department of Housing and Urban Development (HUD) funds provided through the Community Development Block Grants (CDBG) program are directed to localities for activities which result in decent housing in a suitable living environment. Water and waste disposal needs are part of that environment, but must compete with many other needs for funding. Program policy demands that at least 70% of funding benefit low- and moderate- income persons.

#### **Additional Information:**

- Entitlement communities and states receive a basic grant allocation each year and know in advance the approximate amount of federal funds they will receive. Local and state authorities distribute grants based on local priorities and must specify how they will measure performance.

#### **Eligibility:**

- Eligible CDBG recipients include states, and local governments. Eligible activities include a wide range of projects such as public facilities and improvements, housing, public services, economic development, and brownfields redevelopment. State grantees must ensure that each activity meets one of the three national objectives: benefitting low- and moderate-income persons, aid in the prevention or eliminations of slums or blight, or assisting other community development needs that present a serious and immediate threat to the health or welfare of the community.

#### **Contact:**

- Jacob K. Javits Federal Building  
26 Federal Plaza  
Suite 3541  
New York, New York 10278-0068  
Telephone: (212) 264-8000  
Website: <https://www.cfda.gov/index?s=program&mode=form&tab=step1&id=1a12cf08b216e8b42ee87ebb7b71dab8>

## **Section VI**

### **Department of Commerce**

#### **1) Economic Development Administration (Public Works and Economic Development Program)**

- The Economic Development Administration (EDA) is authorized to support community water and sewer projects through the Public Works and Economic Development Program. The purpose of the program is to promote long-term economic development and assist in the construction of public works and development facilities needed to support the creation or retention of permanent jobs in the private sector in areas experiencing substantial economic distress.

##### **Additional Information:**

- EDA provides grants directly to approved applicants. In general, EDA assistance average and may not exceed 50% of the cost of the program. Projects may receive additional funding, not to exceed 30%, based on the relative needs of the region in which the project will be located (determined by EDA). In the care of certain Indian Tribes, non-profit organizations that have exhausted their effective borrowing capacity, or a state or political subdivision of a state that has exhausted its effective taxing and borrowing capacity, grants totaling 100% may be awarded. No minimum or maximum amount is specified in law (grants average \$1.25 million).

##### **Eligibility:**

- Public Works grants may be made to states, cities, counties and other political subdivisions of states, an institution of higher education or a consortium of such institutions, and private or public not-for-profit organizations acting in cooperation with officials of a local government. Qualified projects must fill a pressing need of the area and: (1) be intended to improve opportunities for the creation of businesses, (2) create long-term employment, and (3) benefit long-term unemployed or underemployed persons and low-income families. Projects must also fulfill a pressing need and be consistent with the comprehensive economic development plan of the area. Projects must be located in areas with at least one of the following: low per-capita income, unemployment above the national average, or an actual or anticipated abrupt rise in unemployment.

##### **Contact:**

- Philadelphia Regional Office  
The Curtis Center, Suite 140 South  
601 Walnut Street



Philadelphia, PA 19106-3821

Telephone: (215) 597-4603

Website: <https://www.cFDA.gov/index?s=program&mode=form&tab=step1&id=5f149ff4e539aca8dc81b7f7fe57b118>





## **Section VII**

### **Letters of Support from Senator Gillibrand**

While Senator Gillibrand does NOT decide which organizations are awarded grants, there are instances in which it is appropriate for the Senator Gillibrand to write a letter of support for an application. If you wish to request a letter of support for your application, you must supply Senator Gillibrand with the following:

1. A description of your organization,
2. Summary of the application,
3. a description of what the money will be used for, and
4. a draft letter of support

Please forward this information to the nearest regional office

#### **Capitol District**

Senator Kirsten E. Gillibrand  
Leo W. O'Brien Federal Office Building  
1 Clinton Square  
Room 821  
Albany, NY 12207  
Tel: (518) 431-0120  
Fax: (518) 431-0128

#### **Buffalo/Western New York**

Senator Kirsten E. Gillibrand  
Larkin at Exchange  
726 Exchange Street, Suite 511  
Buffalo, NY 14210  
Tel: (716) 854-9725  
Fax: (716) 854-9731

#### **Long Island**

Senator Kirsten E. Gillibrand  
155 Pinelawn Road  
Suite 250 North  
Melville, NY 11747  
Tel: (631) 249-2825  
Fax: (631) 249-2847

#### **New York City**

Senator Kirsten E. Gillibrand  
780 Third Avenue  
Suite 2601  
New York, New York 10017  
Tel. (212) 688-6262  
Fax (212) 688-7444

**North Country**

Senator Kirsten E. Gillibrand  
PO Box 273  
Lowville, NY 13367  
Tel. (315) 376-6118  
Fax (315) 376-6118

**Rochester Region**

Senator Kirsten E. Gillibrand  
Kenneth B. Keating Federal Office  
Building  
100 State Street  
Room 4195  
Rochester, NY 14614  
Tel. (585) 263-6250  
Fax (585) 263-6247

**Syracuse/Central New York**

Senator Kirsten E. Gillibrand  
James M. Hanley Federal Building  
100 South Clinton Street  
Room 1470  
PO Box 7378

**Westchester County**

Senator Kirsten E. Gillibrand  
Tel. (914) 725-9294  
Fax (914) 472-5073

**Washington D.C.**

Senator Kirsten E. Gillibrand  
United States Senate  
478 Russell Senate Office Building  
Washington, DC 20510  
Tel. (202) 224-4451  
Fax (202) 228-0282  
TTY/TDD: (202) 224-6821